INTRODUCTION

The world currency system - a set of world currencies and ways of organizing currency relations between countries, the forms of their regulation, enshrined in international treaties, agreements; is designed to provide, maintain calculations between countries, resulting from economic, trade relations. [4]
he world monetary system developed by the middle of the XIX century. The nature of the functioning and stability of the world monetary system depends on the degree to which its principles correspond to the structure of the world economy, the alignment of forces and the interests of the leading countries. When these conditions change, a periodic crisis of the world monetary system arises, which ends with its collapse and the creation of a new currency system. [2]

There are several types of the world monetary system: the Paris currency system (gold coin standard), the Genoa currency system (gold standard), the Bretton Woods currency system, the Jamaican currency system and the European Monetary System. In this paper, the Bretton Woods currency system will be examined in more detail. The urgency of the work is due to the great interest in this topic in modern science, as well as its insufficient development.

The Bretton Woods world monetary system is a form of organizing monetary relations and trade settlements, according to which the role of world money, along with gold, is performed by the US dollar. [4]

Due to the development of national and world economies, the Genoa currency system was replaced in 1944 by the Bretton Woods. The Bretton Woods currency system, having accomplished the tasks set, has ceased to function effectively over time. As a result, in 1976 it was replaced by the Jamaican currency system. [2]

The following tasks are set for consideration of the topic:

1. To study the history of the Bretton Woods currency system.
2. Consider the principles of the Bretton Woods monetary system.
3. Study the causes of the crisis in the Bretton Woods monetary system.
5. Also find out what key steps can be taken to separate the crisis of the Bretton Woods currency system.
6. To ascertain to what social and economic consequences the crisis of the Bretton Woods world monetary system brought.
1. **THE HISTORY OF THE BRETTON-FACIAL SYSTEM CREATION**

The patterns of the development of the monetary system are determined by a reproductive criterion, reflect the main stages in the development of the national and world economy. This criterion is manifested in the periodic inconsistency of the principles of the world monetary system with changes in the structure of the world economy, as well as in the alignment of forces between its main centers. In this regard, periodically there is a crisis of the world monetary system. [2]

In the crisis of the world monetary system, the operation of its structural principles is violated, and currency contradictions are sharply exacerbated. Sharp outbursts and dramatic events related to the currency crisis can not last long without the threat of reproduction. Therefore, various means are used to smooth out the acute forms of the currency crisis and to reform the world monetary system. [2]

The evolution of the world monetary system is determined by the development and needs of the national and world economy, changes in the alignment of forces in the world. [2]

The great depression of the 1930s led to the collapse of the gold standard system. It also pushed the countries to erect trade barriers, which largely inhibited international trade. The same destructive effect on world trade was rendered by the Second World War. Therefore, it is fair to say that by the end of this war, world trade and the monetary system had turned into ruins. [3]

In order to develop the foundations of the world monetary system, an international conference of allied countries was convened from July 1 to July 22, 1944 in Bretton Woods, New Hampshire (USA). [3]

Anglo-American experts from the very beginning rejected the idea of returning to the gold standard. They sought to develop the principles of a new world monetary system that could provide economic growth and limit the negative social and economic consequences of economic crises. The US desire to consolidate the
dominant position of the dollar in the world monetary system was reflected in the plan of G.D. White (head of the foreign exchange department of the US Treasury). [2]

As a result of long discussions on the plans of G.D. White and JM Keynes (Great Britain) formally defeated the American project, although the Keynesian ideas of interstate currency regulation were also used as the basis for the Bretton Woods system. [2]

For both currency projects are common features:
Free trade and capital flows;
· Balanced balances, stable exchange rates and the world monetary system as a whole;
· Preserving the advantages of the former system of the gold standard (fixed exchange rates), while dismissing its shortcomings (complex processes of internal macroeconomic transformations) [3];
· The creation of an international organization to monitor the functioning of the world monetary system, for mutual cooperation and to cover the balance of payments deficit.

On December 27, 1945, the International Monetary Fund (IMF) was established at the conference on the basis of an agreement (the IMF Charter), designed to make the new monetary system real and capable. In 1945, this Charter was signed by 29 states. The IMF began its activities on March 1, 1947 as part of the Bretton Woods system. [1]

2. PRINCIPLES OF THE BRETTON-WOOD SYSTEM
The monetary and financial conference in Bretton Woods adopted the Articles of Agreement (the IMF Charter), which defined the following principles of the Bretton Woods currency system:
1. The gold standard was introduced, based on gold and two reserve currencies - the US dollar and the pound sterling. [2]
2. The Bretton Woods Agreement provided for four forms of the use of gold as the basis of the world monetary system:

· The gold parities of currencies have been preserved and fixed in the IMF;
· Gold continued to be used as an international payment and reserve facility;
· Relying on its increased currency and economic potential and gold reserves, the US equated the dollar to gold in order to consolidate its status as the main reserve currency;
· To this end, the US Treasury continued to exchange the dollar for gold to foreign central banks and government agencies at an official price ($ 35 per troy ounce, equal to 31.1035). [2]

3. Exchange rates and their convertibility began to be realized on the basis of fixed currency parities, expressed in dollars. Devaluation [1] over 10% was allowed only with the permission of the Fund. [2]

4. For the first time in history, international monetary and credit organizations have been established - the International Monetary Fund and the International Bank for Reconstruction and Development. The IMF provides loans in foreign currency to cover the balance of payments deficit in order to support unstable currencies, monitors the observance of the principles of the world monetary system by member countries, provides for currency cooperation between countries. [1]

Under US pressure, the dollar standard was established in the framework of the Bretton Woods system - a world currency system based on the dominance of the dollar. Dollar - the only currency convertible into gold, became the base of currency parities, the prevailing means of international settlements; foreign exchange intervention and reserve assets. Thus, the US established a monopoly currency hegemony, pushing its long-standing rival - Britain. The pound sterling has become extremely unstable. The US used the status of the dollar as a reserve currency to cover the national currency deficit of its balance of payments. However, soon it led to a huge increase in their short-term external debt in the form of dollar savings from
foreign banks. "Dollar hunger" was replaced by "dollar satiety". Excess dollars fell on one country or another, causing currency shocks and flight from the dollar. [2]

3. REASONS FOR THE CRISIS OF THE BRETON-WOOD SYSTEM
Since the late 60-ies came the crisis of the Bretton Woods currency system. Such a system could exist only as long as the US gold reserves could ensure the conversion of foreign dollars into gold. [1]

The very idea of using the dollar as an integral part of the world's foreign exchange reserves contained the rudiments of a dilemma. In the 50's and 60's, the problem with gold as a world money unfolded. The problem was its number. The growth of world money reserves depends on the volumes of newly extracted gold, from which some quantity, hidden for industrial or jewelry purposes, is excluded. Unfortunately, the growth of gold reserves lagged behind the rapidly expanding scale of international trade and finance. Therefore, the dollar gained the growing importance of the world currency reserve. [3]

The confidence in the dollar, as a reserve currency, gradually fell due to the huge deficit in the US balance of payments. [1] With the exception of three to four years, the balance of payments in the USA in the 1950s and 1960s was basically a negative balance. This deficit was partly financed by a decrease in the American gold reserve, and partly due to an increase in the number of dollars from foreign holders, from whom they were considered "as good as gold." [3]

The ability of the US to maintain the convertibility of the dollar in gold was becoming increasingly doubtful, and therefore the role of the dollar as a generally accepted international reserve currency was also questionable. [3] New financial centers (Western Europe, Japan) began to appear and their national currencies began gradually to be used as reserve currencies. This led to the loss of the US of its absolute dominant position in the financial world. [1]

Clearly the problems of this system were formulated in the dilemma (paradox) of Triffin. The issue of the key currency must correspond to the gold reserve of the
issuing country. Excessive emission, not provided with a gold reserve, can undermine the convertibility of the key currency into gold, which will cause distrust of it. But the key currency should be issued in the amount that will ensure an increase in the international money supply to serve an increasing number of international transactions. Therefore, its emission should occur, regardless of the size of the limited gold reserve of the issuing country. [1]

In addition to the fundamental contradiction, there were other causes of the crisis:

1. Instability and contradictions of the economy. The beginning of the currency crisis in 1967 coincided with a slowdown in economic growth. [1]

2. Increased inflation adversely affected world prices and firms' competitiveness, encouraged speculative movements of "hot" money. Different rates of inflation in different countries influenced the dynamics of the exchange rate, and a decrease in the purchasing power of money created conditions for "exchange rate distortions." [1]

3. Instability of national balance of payments. The chronic deficit in some countries (especially the United States, Great Britain) and the positive balance of others (FRG, Japan) increased the sharp fluctuations in the exchange rates. [1]

Thus, faced with a steady and growing deficit in the US balance of payments, President R. Nixon suspended the convertibility of the dollar in gold on August 15, 1971. This suspension was the end of the policy of exchanging gold for dollars, which lasted 37 years. [3] Its structural principles, established in 1944, ceased to correspond to the conditions of production, world trade and the changed correlation of forces in the world. [1]

The essence of the crisis in the Bretton Woods system lies in the contradiction between the international character of international economic relations and the use of national currencies (primarily dollars) for this purpose, which are subject to depreciation. [1]
4. FORMS OF MANIFESTING THE CRISIS OF THE BRETTON-WOODEN CURRENCY SYSTEM

The manifestations of the crisis of the Bretton Woods system took the following forms:

• "currency fever" - moving "hot" money, mass sale of volatile currencies in anticipation of their devaluation and buying up currencies - candidates for revaluation;
• "gold rush" - flight from unstable currencies to gold and a periodic increase in its price;
• Panic on stock exchanges and a fall in securities prices in anticipation of a change in the exchange rate;
• Aggravation of the problem of international currency liquidity;
• Massive devaluations and currency revaluation (official and unofficial);
• Sharp fluctuations in official gold and foreign exchange reserves;
• The use of foreign loans and borrowing in the IMF to support currencies;
• Violation of the structural principles of the Bretton Woods system.

5. THE HISTORY OF THE CRISIS OF THE BRETTON-WOOD SYSTEM

The currency crisis developed wavy, hitting that one or another country at different times and with varying strengths. The development of the crisis of the Bretton Woods system can be conditionally divided into the following key stages: [2]

1. November 18, 1967 Due to the deterioration of the monetary and economic situation of the country, the gold content and the pound sterling rate were lowered by 14.3%. Following the UK, 25 countries devalued their currencies in different proportions. [1]

2. March 17, 1968 A double gold market was established. The price of gold in private markets is set freely in accordance with supply and demand. Under official transactions, the central banks of the countries continue to convert the dollar into gold at an official rate of $ 35 per troy ounce. [1]
3. On August 15, 1971, US President Richard Nixon announced a temporary ban on converting the dollar into gold at the official rate for central banks. [1]
4. December 17, 1971 Devaluation of the dollar against gold by 7.89%. And an increase in the official price of gold from 35 to 38 dollars per 1 troy ounce. [1]
5. February 13, 1973 The dollar was repeatedly devalued by 10% and the official price of gold was increased by 11.1% (from 38 to 42.22 dollars per 1 troy ounce). The massive sale of dollars led to the closure of the leading foreign exchange markets (from 2 to 19 March). The new consensus - the transition to floating exchange rates since March 1973 - rectified "exchange rate distortions" and relieved tension in the currency markets. [2]

6. FEATURES AND SOCIO-ECONOMIC CONSEQUENCES OF THE CRETE OF THE BRETTON-WOODEN CURRENCY SYSTEM
The structural crisis of the world monetary system swept all countries, took a protracted character and led to the violation of its principles.
The crisis of the Bretton Woods system has a number of peculiarities:
1. Interlacing of cyclical and special currency crises. The crisis of the Bretton Woods monetary system was combined not only with the world economic crises, but also with the periodic revival and recovery of the economy.
2. The active role of TNCs in the development of the currency crisis. TNCs concentrated 40% of industrial production, 60% of foreign trade, 80% of the developed technology of the West. The large currency assets and the scale of Euro-dollar, especially Eurodollar, TNC operations have given the Bretton Woods system a huge scope and depth. [2]
3. Disorganizing role of the United States. Using the privileged position of the dollar as a reserve currency to cover the deficit of its balance of payments, the US flooded the countries of Western Europe and Japan with dollars, causing disruptions in their economies, increasing inflation, instability of currencies, which deepened interstate contradictions.
4. The emergence of three centers of power. The structural principles of the Bretton Woods system, established during the period of undivided US domination, ceased to correspond to the new alignment of forces in the world. The countries of Western Europe, especially the EU, create their own center of currency power as opposed to the hegemony of the dollar, and Japan uses the yen as a reserve currency in the Asian region. [2]

5. Wavy development of the currency crisis, as evidenced by the above stages of its development.

6. The structural nature of the global monetary crisis. With the collapse of the Bretton Woods system, its structural principles were abolished: the exchange of dollars for gold was stopped, the official price of gold and gold parities were abolished, interstate settlements in gold were terminated, a regime of floating exchange rates was introduced, the dollar and pound sterling officially lost the status of reserve currencies. For this role, the FRG brand and the Japanese yen began to be nominated. [2]

7. The impact of state currency regulation. On the one hand, it helps to exacerbate the contradictions in the monetary sphere; on the other hand, regulation at the national and interstate levels to mitigate the effects of the currency crisis and to find a way out of it through currency reform.

The currency crisis, disorganizing the economy, hindering foreign trade, strengthening the instability of currencies, generates severe socio-economic consequences. This is manifested in increasing unemployment, freezing wages, rising cost of living. The revaluation is accompanied by a decrease in employment in export industries, and devaluation, increasing the cost of imports, contributes to higher prices in the country. Programs of monetary stabilization boil down, ultimately, to austerity at the expense of workers and the orientation of production for export. [2]

CONCLUSION
At the heart of the Bretton Woods system was, first of all, the joint regulation of exchange rates, fixed and interrelated. To manage the system was formed International Monetary Fund, originally consisting of 44 countries. Each member of the organization determined the gold content of its currency and on this basis fixed the rate in the currencies of other participating countries [5].

The international reserve medium along with gold was the American dollar - the only formally convertible into the metal national currency. The official price of gold was $ 35 per troy ounce. The British pound was declared the "second" reserve currency [5].

The currency system created in the Bretton Woods was effective for about 15 years. Loss of confidence in the dollar falls on the early 70's. In 1971, the US announced a departure from the convertibility of the dollar into gold.

In January 1976, the Kingston Agreement on the revision of the statute of the IMF (sometimes referred to as the Jamaican) fixed the rejection of the fundamental principles of the Bretton Woods system. Gold standard and a system of fixed fixation of courses were abolished, a ban on the use of gold as a basis for currency parities was imposed [5].

**BIBLIOGRAPHY**